



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

October 21, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 3 TO LEASE NO. 60365
DEPARTMENT OF MENTAL HEALTH,
600 SOUTH COMMONWEALTH AVENUE, LOS ANGELES
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is a seven-year lease amendment for 35,452 rentable square feet of office space for the Department of Mental Health (DMH).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that this lease Amendment No. 3 is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.
2. Approve and instruct the Chair to sign Amendment No. 3 with Commonwealth Enterprises (Lessor) to extend the term of Lease No. 60365 for a seven-year period for the continued occupancy of 35,452 gross rentable square feet of office space for the Department of Mental (DMH), at 600 South Commonwealth Avenue, Los Angeles (Premises), at an initial annual rent of \$731,729 which is 37 percent Federal and 48 percent State subvention funded and 15 percent net County cost (NCC). The seven-year extension in Amendment No. 3 to Lease No. 60365 will commence beginning upon acceptance of the Premises by the County.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
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"To Enrich Lives Through Effective And Caring Service"

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3. Authorize the Lessor and/or Director of Internal Services Department (ISD), at the discretion of the Chief Executive Office (CEO), to acquire a telephone system for DMH at a cost not to exceed \$240,000. The full cost of the telephone, data, and low voltage systems will be paid in a lump sum by DMH.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed Amendment No. 3 to Lease No. 60365 will allow the County to extend the term of the lease for seven years and will provide DMH with supplemental administrative office space at the facility and reduce overcrowding at the headquarters buildings located at 550 and 695 South Vermont. The Department of Public Health (DPH) has occupied the facility since 1985. Under Amendment No. 2, DPH occupied 53,180 rentable square feet of space on floors two, six and eight. DPH remains on the eighth floor (17,728 sq.ft.) and relocated to new space on the seventh, ninth, tenth and eleventh floors in June 2008 (72,009 sq.ft.). DMH proposes to occupy both of the floors, two and six, vacated by DPH. DMH will use 232 existing offices, workstations and furniture on these two floors. The Lessor will provide new carpeting, paint and HVAC upgrades to two Main Communication Rooms on the second and sixth floors.

As part of their overall Service Area 4 and Headquarters needs, DMH plans to hire and house 158 Mental Health Services Act (MHSA) and 74 Specialized Foster Care (SFC) items that have not been filled because there is currently no existing space to house new staff. Of the 232 offices and work stations existing at 600 Commonwealth, 67 spaces will accommodate new items for the recently expanded SFC Child Welfare Division.

The 67 spaces will be occupied by the following new sections: Wraparound Program/Resource Utilization and Management Team/Intensive In-Home Mental Health Services Support; Foster Family Agency Case Management Program/Interagency Delinquency Prevention Program/Interagency Consultation and Assessment Teams; Multidisciplinary Assessment Teams/Tracking and Information Management/Training and Quality Assurance; and division and administrative management/staff. The remaining 165 spaces of the 232 work stations will house existing non-MHSA administrative and program support staff relocated from 550 South Vermont, allowing the remaining sections at 550 South Vermont to backfill the vacated space with new MHSA administrative and program support positions previously approved by your board.

Retaining the premises, including the furniture for DMH with existing and proposed improvements and parking, will provide severely needed administrative housing for DMH. Retention and immediate re-use of the proposed space is a more cost effective alternative than constructing new and extensive Tenant Improvements (TI), purchasing furniture and installing complete telephone and data at another location.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we strengthen the County's fiscal capacity (Goal 4). In this case, we have consolidated multiple departmental functions and are housing subvented and grant funded programs in leased space in accordance with the Strategic Asset Management Principles, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The annual base rent cost for the subject facility will initially be \$731,729. The base rent will be adjusted on an annual basis by Consumer Price Index (CPI) by 3 percent annually.

600 Commonwealth	EXISTING LEASE	AMENDED LEASE	CHANGES
Area (Square feet)	35,452 s.f. office space (Floors 2 and 6)	35,452 s.f. office space (Floors 2 and 6)	None
Term	12/21/99 to 12/21/06 Month to Month	Upon acceptance by County - Seven-year term	+ Seven years
Annual Base Rent	\$574,322 (\$16.20/sq.ft.)	\$731,729 (\$20.64/sq.ft.)	+\$157,407
Parking Included in Rent	210 off-street spaces	200 off-street spaces	-10 spaces
Cancellation	On 60 days notice	Anytime on 60 days notice after 36 th month	Cancellation after 36 th month on 60 days notice
Option to Renew	One 5-year (exercised)	None	No Option
Rental Adjustment	Annual CPI with a cap of 3 percent	Annual increase, 3 percent of prior year base	+ 3 percent minimum

Sufficient funding for the proposed lease amendment is included in the 2008-09 Rent Expense budget and will be charged back to DMH. Sufficient funding is available in DMH's operating budget to cover the proposed lease costs.

The annual lease cost for DMH is 37 percent Federal and 48 percent State subvention funded and 15 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The amended lease contains the following provisions:

- Seven-year lease renewal. The new base rent during the first year is \$731,729.
- The lease continues on a full-service basis and the Lessor is responsible for all interior and exterior maintenance.
- The Lessor will provide parking for 200 vehicles which is included in the base rental rate and is sufficient to meet the parking needs of the staff.
- The Lessor will install new carpet and paint the interior walls.
- Lessor will upgrade the after hours computer room HVAC system on the second and sixth floors. County must lump sum reimburse Lessor for HVAC and electrical upgrades not to exceed approximately \$48,000, upon acceptance and completion of work.
- A cancellation provision is in the lease allowing the County to cancel the lease anytime after the 36th month of the option period on 60 days prior written notice.

Chief Executive Office (CEO) Real Estate staff surveyed the service area to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range, including parking and TI for similar property, is between \$22 and \$24 per square foot per year full-service. Thus, the base annual rent of \$20.64 per square foot for the base lease cost, is at the low end of market for this area. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

The Department of Public Works has inspected this facility and has reported that the building meets current standards for the County's occupancy.

It is not feasible to house a child care center at the building. However, there are several private child care centers available within a five-mile radius of the subject location.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CEO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CEO that the proposed Amendment No. 3 to Lease No. 60365 will allow DMH to backfill space recently vacated. DMH concurs with this recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the executed Amendment No. 3 to Lease No. 60365, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
CEM:TS:hd

Attachments (2)

c: County Counsel
Auditor-Controller
Department of Mental Health

**DEPARTMENT OF MENTAL HEALTH
600 SOUTH COMMONWEALTH AVENUE, LOS ANGELES**

Asset Management Principles Compliance Form¹

1.	Occupancy		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ²			X
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq ft of space per person? ² 153 sf per person. The space has 232 existing offices and workstations and no additional space is available.		X	
2.	Capital				
	A	Is it a net County cost (NCC) program? The lease cost for DMH is offset by 37% State, 48% Federal funding, and 15% NCC.	X		
	B	Is this a long term County program?			X
	C	If yes to 2 B or C; capital lease or operating lease with an option?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? The immediate availability of leased space at favorable lease terms makes this use more feasible at this time. The lease is cancelable within three years which allows for future consideration of a build-to-suit or capital project which would take about three years to implement and complete.		X	
3.	Portfolio Management				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?	X		
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. ___ No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request? The existing space will be fully utilized.		X	
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98				

²If not, why not?

**DEPARTMENT OF MENTAL HEALTH
600 SOUTH COMMONWEALTH AVENUE, LOS ANGELES**

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS	SQUARE FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	65,872	62,578	LEASED	NONE
A532	HEALTH-METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	62,901	56,611	LEASED	NONE
A160	MENTAL HEALTH-HDQRTS OFFICE ANNEX	3160 W 6TH ST, LOS ANGELES 90020	60,800	28,372	LEASED	NONE
A336	SHERIFF - WILSHIRE CENTRE BUILDING	3055 WILSHIRE BLVD, LOS ANGELES 90010	7,755	7,115	LEASED	NONE
A369	DCFS-PROCUREMENT AND SPECIAL SERVICES OFFICE	501 SHATTO PL, LOS ANGELES 90020	17,751	15,976	LEASED	NONE
A408	DCFS-THE U S BORAX BUILDING	3075 WILSHIRE BLVD, LOS ANGELES 90010	132,488	105,568	LEASED	NONE
A409	DCSS-WILSHIRE PLAZA BUILDING	3303 WILSHIRE BLVD, LOS ANGELES 90010	4,000	3,900	LEASED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	62,479	53,176	LEASED	NONE
A425	DCFS-DEPARTMENTAL HEADQUARTERS BLDG	425 SHATTO PL, LOS ANGELES 90020	80,756	76,065	LEASED	NONE
C500	PROBATION-PRETRIAL SERVICES/ BAIL DEVIATION	500 SHATTO PLACE, LOS ANGELES 90020	6,596	5,094	LEASED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BLDG	3175 W 6TH ST, LOS ANGELES 90020	52,230	42,341	OWNED	NONE
X510	DHS-LESAGE COMPLEX 2 STORY BLDG	510 S VERMONT AVENUE, LOS ANGELES 90020	31,540	24,840	OWNED	NONE
X532	DCSS-LE SAGE COMPLEX 1 STORY BLDG	532 S VERMONT AVE, LOS ANGELES 90020	14,126	10,314	OWNED	NONE
X550	MENTAL HEALTH-LE SAGE COMPLEX TWR	550 S VERMONT AVENUE, LOS ANGELES 90020-1991	171,651	149,668	OWNED	NONE
Y193	PARKS & RECREATION- HEADQUARTERS BLDG	433 S VERMONT AVENUE, LOS ANGELES 90020	31,862	21,777	OWNED	NONE
B695	DCFS-IMMUNIZATION PRGM/ ENVIRONMENTAL HEALTH	695 S VERMONT AVENUE, LOS ANGELES 90010	14,274	12,847	LEASED	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVENUE, LOS ANGELES 90005	204,019	151,696	LEASED	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62,000	60,140	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46,228	42,065	LEASED	NONE
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115,242	89,650	OWNED	NONE
D015	DPSS-CATHOLIC CHARITIES COMPUTER CENTER	1530 JAMES M. WOOD BLVD, LOS ANGELES 90017	200	200	PERMIT	NONE
6518	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LOS ANGELES 90007	215,439	183,874	OWNED	NONE
A388	ALT PUBLIC DEF-WILSHIRE- BIXEL BLDG	1055 WILSHIRE BLVD, LOS ANGELES 90017	6,500	6,175	LEASED	NONE
5266	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	303,434	125,469	FINANCED	NONE
0155	STANLEY MOSK COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	794,459	441,761	OWNED	NONE
5546	DHS-CENTRAL PUBLIC HEALTH CENTER	241 N FIGUEROA ST, LOS ANGELES 90012	60,924	34,748	OWNED	NONE
A159	DISTRICT ATTORNEY - FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	83,164	79,006	LEASED	NONE
5456	HEALTH SERVICES ADMIN BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221,359	134,851	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMIN	500 W TEMPLE STREET, LOS ANGELES 90012	958,090	591,457	FINANCED	NONE

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS	SQUARE FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
3155	THE MUSIC CENTER – DE LISA BUILDING/THE ANNEX	301 N GRAND AVENUE, LOS ANGELES 90012	27,582	17,978	OWNED	NONE
A429	CEO REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL STREET, LOS ANGELES 90012	29,013	26,082	LEASED	NONE
A442	MENTAL HEALTH-LAPD-SMART TEAM OFFICE	419 S SPRING STREET, LOS ANGELES 90013	1,000	1,000	GRATIS USE	NONE
A496	PUBLIC DEFENDER-LA LAW CENTER BUILDING	207 S BROADWAY, LOS ANGELES 90012	7,100	6,750	LEASED	NONE
3154	CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER	210 W TEMPLE STREET, LOS ANGELES 90012	1,036,283	399,535	FINANCED	NONE
0156	HALL OF RECORDS	320 W TEMPLE STREET, LOS ANGELES 90012	438,095	258,677	OWNED	NONE
Y013	DPSS-CIVIC CENTER DISTRICT/ GROW CENTER OFFICE	813 E 4 TH PLACE, LOS ANGELES 90013	39,956	25,158	OWNED	NONE
A384	AG COMM/WTS & MEASURES- DOWNTOWN MARKET OFFICE	1320 E OLYMPIC BLVD, LOS ANGELES 90021	776	776	LEASED	NONE
5979	CENTRAL ARRAIGNMENT COURTHOUSE	429 BAUCHET STREET, LOS ANGELES 90012	83,692	30,638	FINANCED	NONE
C863	MED CTR-PATIENT FINANCIAL SERVICES OFFICE	1910 N MAIN STREET, LOS ANGELES 90031	13,300	8,919	LEASED	NONE
5260	CORONER-ADMINISTRATION/ INVESTIGATIONS BLDG	1102 N MISSION BLVD, LOS ANGELES 90033	22,479	14,251	OWNED	NONE
3100	EASTLAKE JUVENILE COURT-1	1601 EASTLAKE AVENUE, LOS ANGELES 90033	47,379	26,024	OWNED	NONE
4799	PW CENTRAL YARD-DIVISION ADMINISTRATION	1525 ALCAZAR STREET, LOS ANGELES 90033	10,438	7,224	OWNED	NONE
C110	MED CTR-EXPENDITURE MANAGEMENT	2064 MARENGO STREET, LOS ANGELES 90033	9,602	7,010	LEASED	NONE
X294	PW CENTRAL YARD-SHOP OFFICE BLDG	2275 ALCAZAR STREET, LOS ANGELES 90033	1,400	1,260	OWNED	NONE
6578	DPSS-METRO EAST AP DISTRICT OFFICE	2855 E OLYMPIC BLVD, LOS ANGELES 90023	63,066	29,220	OWNED	NONE
A436	DPSS-EXPOSITION PARK FAMILY SERVICE CENTER	3833 S VERMONT AVENUE, LOS ANGELES 90037	130,000	110,500	LEASED	NONE

**AMENDMENT NO. 3 TO LEASE NO.60365
DEPARTMENT OF MENTAL HEALTH
600 SOUTH COMMONWEALTH AVENUE, LOS ANGELES**

This Amendment No.3 to Lease No. 60365 ("Amendment" or "Amendment No. 3") is made and entered into this _____ day of _____, 2008 by and between COMMONWEALTH ENTERPRISES hereafter referred to as "Lessor" and COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee".

RECITALS:

WHEREAS, Lessor and Lessee entered into Lease No. 60365 dated October 11, 1988, Amendment No. 1 to the Lease dated August 22, 1989, and Amendment No. 2 to the Lease dated June 26, 1990 (collectively, the "Lease") pursuant to which Lessor leased to Lessee those certain premises located in the Building at 600 South Commonwealth Avenue, Los Angeles, California, ("Building") more particularly described as approximately 53,180 rentable square feet of office space consisting of the entire second (2nd), sixth (6th) and eighth (8th) floors located within the Building; and

WHEREAS, the parties now wish to amend the Lease in certain respects.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree the following amendments are effective upon the date above written:

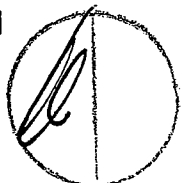
1. Paragraph 1 of the Lease is hereby deleted and the following inserted in substitution thereof:

1. **DESCRIPTION OF PREMISES:** The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 600 Commonwealth Avenue, in the County of Los Angeles, state of California, more particularly described as follows:

Approximately 35,452 rentable square feet of office space consisting of the entire second (2nd) and sixth (6th) floors of the building, located at 600 Commonwealth Avenue Los Angeles, CA (the "Premises").

2. Paragraph 2 to the Lease is hereby deleted and the following inserted in substitution thereof:

(A) **TERM:** The term of the Lease shall be for a period of seven (7) years beginning upon acceptance of the Premises by the County and execution of a "Memorandum of Commencement Date" in the form attached hereto as Exhibit "A" and



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ending eighty-four months thereafter. Additionally, Lessee may occupy the Premises at any time prior to Commencement Date to prepare the Premises for final occupancy.

(B) CANCELLATION OF LEASE: Lessee shall have the right to cancel this Lease at any time after the thirty-sixth (36th) month of the term hereof by giving Lessor sixty (60) days prior notice, by letter from Lessee's Chief Executive Office ("CEO") of its intention to cancel.

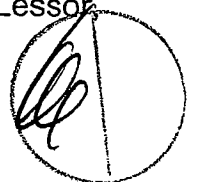
3. Paragraph 3 of the Lease is hereby deleted and the following inserted in substitution thereof:

RENT: Lessee hereby agrees to pay as rent for the Premises during the term hereof the sum of Sixty Thousand Nine Hundred Seventy-Seven and 44/100 Dollars (\$60,977.44) per month or \$1.72 per rentable square foot. Lessee shall pay Lessor all rent and other payments due to Lessor hereunder (including, without limitation, rent during the Term hereof, within fifteen (15) days after a claim therefor for each such month has been filed by Lessor with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Rent for any partial month shall be prorated in proportion to the number of days in such month. For each successive twelve (12) months of the original term of this Lease and for each successive twelve (12) month period thereafter, the monthly rent as set forth above shall be adjusted by an annual increase of three percent (3%) of the rent in effect immediately prior to the adjustment.

4. Paragraph 20 of the Lease is hereby deleted and the following inserted in substitution thereof:

PARKING: a) Lessee's Rights. Lessee shall have the right to park two-hundred (200) vehicles at the Building without charge during the term of this Lease. Tandem parking shall be permitted and Lessee shall be entitled to full in/out privileges. Lessee's parking rights shall be subject to reasonable parking rules and regulations adopted by Lessor from time to time, provided that such procedures shall be uniformly applied to all tenants. Lessee acknowledges that all other parking spaces are not for the exclusive use of Lessee; rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Lessee and other tenants, occupants, licensees, invitees and permittees of the Building. Lessor may substitute parking spaces assigned to Lessee with parking spaces at adjacent properties (within 500 feet of the Building) on a temporary, as needed, basis.

(b) Remedies. Lessor shall use his best efforts to provide Lessee with two hundred (200) unreserved spaces at all times during the term of this Lease. If Lessor provides fewer than 200 spaces, Lessee may at its sole discretion, negotiate with Lessor for an equitable reduction in the monthly rent based upon the fair market value, estimated (as of the date of execution of this Amendment No. 3), of such parking or the loss of such parking if not replaced. Notwithstanding anything to the contrary set forth in the foregoing, if during the term of this Lease, Lessor fails to provide at least one hundred eighty-six (186) permanent parking stalls (within 500 feet of the Building), Lessee may terminate this Lease by giving written notice of such termination to Lessor provided Lessor shall have a cure period of thirty (30) days of



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receipt of such notice. If Lessor fails to cure within such thirty (30) day cure period, the Lease shall be terminated.

5. Paragraph 24 of the Lease is hereby deleted and the following inserted in substitution thereof:

PERFORMANCE.: Lessor, within ten (10) days after receipt of a duly executed copy of this Lease, as amended, shall at Lessor's sole expense, repaint and replace the carpeting with carpet tiles throughout the entire second (2nd) and sixth (6th) floors of the Premises, including without limitation the cost of lifting the existing furniture for removal of old carpet and installation of new carpet tiles. Additionally, Lessor, within ten (10) days of receipt of a duly executed copy of this Lease, as amended, will contract to install after-hours HVAC service "as specified" per Lessor's proposal dated June 12, 2008 (attached hereto as Exhibit B), in an amount not to exceed \$43,991.00, and install electrical power outlets in an amount not to exceed \$4,000, which sums the Lessee will reimburse Lessor in a lump sum payment within thirty (30) days of Lessee's acceptance of the completed proposal.

6. Paragraph 25 "Operating Costs" of the Lease is hereby deleted in its entirety.

7. Paragraphs 27, 28 and 29 to the Lease are hereby added to the Lease as follows:

27. SOLICITATION OF CONSIDERATION It is improper for any County officer, employee or agent to solicit consideration, in any form, from a lessor with the implication, suggestion or statement that the lessor's provision of the consideration may secure more favorable treatment for the lessor in the award of the lease or that the lessor's failure to provide such consideration may negatively affect the County's consideration of the lessor's submission. A lessor shall not offer or give, either; directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of a lease.

Lessor shall immediately report any attempt by a County office, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the termination of the Lease.



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28. LIMITATION OF AUTHORITY

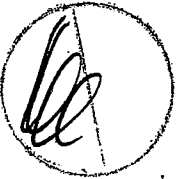
Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Lessor understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action. No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease; and Lessor may not rely upon any representations to the contrary.

This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for tenant improvements or other project costs of Lessor which are subject to reimbursement by County. County shall not reimburse Lessor for any expenses which exceed this ceiling.

29. IRREVOCABLE OFFER:

In consideration for the time and expense that Lessee will invest including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the County Real Estate Management Commission (if applicable) in reliance on Lessor's covenant to lease to Lessee under the terms of this lease offer, the Lessor irrevocably promises to keep this offer open until September 30, 2008.

8. If there are any inconsistencies, variances or differences between any provision of the Lease and a provision of this Amendment No. 3, the provisions of this Amendment No. 3 will prevail and control. The Lease, as amended, is ratified, confirmed and approved. The terms "include" and "including" are not limiting and include the concept of "including but not limited to".



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IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 3 or caused it to be executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 3 to be executed on its behalf by the Chair of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

By: Commonwealth Enterprises

By: 
Arthur Blech

ATTESTED:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By:
Deputy

LESSEE

COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

APPROVED AS TO FORM:

RAYMOND G. FORTNER
COUNTY COUNSEL

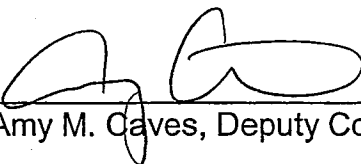
By: :
Amy M. Caves, Deputy County Counsel

EXHIBIT A

COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 2008, between County of Los Angeles, a body politic and corporate ("Tenant"), and Arthur Blech, dba Commonwealth Enterprises, ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 600 Commonwealth Avenue, 2nd and 6th Floors, Los Angeles, CA ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

(1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");

(2) Tenant has accepted possession of the Premises and now occupies the same;

(3) The Lease commenced on _____ ("Commencement Date");

(4) The Premises contain _____ rentable square feet of space; and

(5) Basic Rent Per Month is _____.

IN WITNESS WHEREOF, this Memorandum is executed this ____day of _____, 200__.

"Tenant"

"Landlord"

COUNTY OF LOS ANGELES,
a body politic and corporate

_____,
a _____

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____



engineered
systems

TERMS AND CONDITIONS TO BID CONTRACT

Page 2 of 2

1. All work shall be performed during normal working hours unless otherwise stated herein.
2. ACCO Engineered Systems agrees to maintain in full force and effect a Workmen's Compensation Insurance policy and a Comprehensive Liability Insurance policy in substantial amounts to protect all parties to this agreement, furnishing certificates of insurance, if required by Buyer.
3. Buyer shall prepare the premises to permit free movement and erection of materials, providing necessary openings, supports, cutting, patching, necessary public utility and steam services, and pay all fees in accordance with codes and ordinances unless otherwise indicated in this Bid Contract.
4. In the event that the Seller encounters any asbestos product or material in the course of performing its work, the Seller shall have the right to immediately discontinue its work and remove its employees from the project, or that portion of the project wherein such product or materials were encountered, until such time as any hazards connected therewith are abated, encapsulated or removed and/or it is determined that no hazard exists; further, Seller shall receive an extension of time to complete its work and compensation for delays encountered and compensation for any change in the sequence of method or its work occasioned as a consequence of said encounter.
5. ACCO Engineered Systems extends manufacturer's standard warranties on all new equipment, misuse or abuse excepted, for a period not to exceed one year from date of first beneficial use, which shall be defined as the Start-up Date. ACCO Engineered Systems guarantees all repaired materials, parts and labor for a period of ninety (90) days from the date of first beneficial use. There are no warranties, expressed or implied, other than the above unless so noted herein.
Seller shall not be liable for any consequential damages including, but not limited to, liquidated damages, loss of rent, interest expense, extended overhead or any other delay damages of any kind, nature or description. It is expressly understood and agreed that the only liability of Seller is to replace defective workmanship or material as herein above set forth.
6. ACCO Engineered Systems agrees that for a period of ninety (90) days following the initial operation of the installation, it will replace any refrigerant loss caused by defects in the equipment, material, parts, or workmanship furnished under this contract. Replacement of refrigerant due to failure or defects other than items furnished by Seller is not included as a part of this agreement.
7. ACCO Engineered Systems shall not be liable for the corrosive or erosive action of liquids and/or gases upon the equipment specified and no part of such equipment shall be deemed defective by reason of its failure to resist physical or chemical action of such elements or items upon such equipment.
8. This agreement shall not be binding until duly accepted by an authorized officer of ACCO Engineered Systems. No person has authority to make or claim any representation, warranty, term, promise, or condition, expressed or implied, statutory or otherwise, which is not expressed herein. This agreement constitutes the entire agreement between the parties and supersedes and revokes any previous agreement, written or oral, with respect to the labor and equipment covered hereby and may not be amended or modified except in writing executed by the parties hereto.
9. Under no circumstances shall the liability of Seller arising out of the sale or erection of the equipment hereunder, or arising out of its use, whether on warranties or otherwise, in any case exceed the lesser of the following: (a) Cost of correcting defects in the equipment or workmanship; or (b) the difference in value between the installation as installed and the cost of the original installation thereof, if installed strictly as in the contract documents set forth. And in no event shall any claims be made by either party against the other for consequential damages.
10. The Seller shall not be bound by any plans and specifications or conditions
13. Should either party hereto bring suit in court to enforce the terms hereof, any judgment awarded shall include court costs and reasonable attorney's fees to the successful party.
14. Seller assumes no responsibility for the design on those jobs where Seller prepares working or shop drawings from designs furnished by others. Seller assumes no responsibility whatsoever for design or operative end result under any contract unless there is affirmatively stated on the obverse side of this Bid Contract, a direct undertaking on Seller's part so to do.
15. Seller may suspend further performance under this Bid Contract upon three (3) days written notice to the Buyer in the event the Buyer is in breach of this Bid Contract for breach other than non-payment. Notice need not be given if work is suspended due to non-payment or due to the failure of the Buyer to pay for change orders as provided herein. In the event Seller elects to suspend performance, Seller shall be entitled to remobilization costs, including profit and overhead, upon the Buyer bringing payments current or issuing proper change orders for extra work. Such costs will equal actual losses sustained by Seller in terminating and restarting work.
16. This contract is entered into upon the understanding that in the prosecution of any work herein specified Seller will be allowed sufficient time for the performance of said work on the basis of a normal eight-hour day, and in the event that Buyer or any subcontractor require Seller to perform such labor on an overtime basis, then such additional expense of every kind and character as Seller may be required to incur on account of said overtime labor, shall constitute an additional charge herein.
17. It is agreed that Buyer is to provide, without cost to Seller, proper hoisting conveyances and scaffolding (including the use of engineer) at times so as to not delay Seller's part of the work, unless otherwise indicated in this proposal.
18. Any loss or damage to Seller's work, materials or equipment occurring at the site of the project occasioned by fire, flood, earthquake, windstorm, riot or civil commotion shall be protected by Builders Risk Insurance procured by the contractor or owner without cost to Seller and Seller shall receive a proportionate share of the amount of any payment loss under any such policy or policies according as Seller's interest may appear.
19. Notwithstanding any provision in the plans, specifications, contract between prime contractor and owner, general conditions, or any contract documents executed by and between contractor and owner having to do with the subject now stated, Seller shall not be liable for the cost of correcting defects occasioned by the acts or omissions of employees of other subcontractors, the prime contractor, owner or any segregated contractor, to work performed by Seller. Before Seller proceeds with any corrective work to repair such damage, the prime contractor, or other person contracting with Seller in this Bid Contract, shall give Seller an unqualified instruction to proceed with the work upon their responsibility to compensate Seller therefor as an extra.
20. The Seller expressly reserves the right to assign all or any portion of its rights and/or duties under this Bid Contract with or without notice to the Buyer herein.
21. In the event of a conflict between the terms and conditions of this Bid Contract and terms and conditions stated in the plans and specifications, or any other contract document, including the prime contract between owner and prime contractor, the terms of this Bid Contract shall govern.
22. If, in Seller's opinion, Buyer's credit becomes impaired, Seller may, at its option, suspend work and deliveries under this contract until it has received full settlement or security for services rendered and is satisfied as to Buyer's credit for further shipments. If Buyer fails or refuses to make such payment, or give such security, then the full amount due under this contract at such time, for labor and material and/or equipment furnished shall immediately become due and payable and Seller shall have the right and the entire to terminate this agreement.

INITIAL

receipt of such notice. If Lessor fails to cure within such thirty (30) day cure period, the Lease shall be terminated.

5. Paragraph 24 of the Lease is hereby deleted and the following inserted in substitution thereof:

PERFORMANCE.: Lessor, within ten (10) days after receipt of a duly executed copy of this Lease, as amended, shall at Lessor's sole expense, repaint and replace the carpeting with carpet tiles throughout the entire second (2nd) and sixth (6th) floors of the Premises, including without limitation the cost of lifting the existing furniture for removal of old carpet and installation of new carpet tiles. Additionally, Lessor, within ten (10) days of receipt of a duly executed copy of this Lease, as amended, will contract to install after-hours HVAC service "as specified" per Lessor's proposal dated June 12, 2008 (attached hereto as Exhibit B), in an amount not to exceed \$43,991.00, which sum the Lessee will reimburse Lessor in a lump sum payment within thirty (30) days of Lessee's acceptance of the completed proposal.

6. Paragraph 25 "Operating Costs" of the Lease is hereby deleted in its entirety.

7. Paragraphs 27, 28 and 29 to the Lease are hereby added to the Lease as follows:

27. SOLICITATION OF CONSIDERATION It is improper for any County officer, employee or agent to solicit consideration, in any form, from a lessor with the implication, suggestion or statement that the lessor's provision of the consideration may secure more favorable treatment for the lessor in the award of the lease or that the lessor's failure to provide such consideration may negatively affect the County's consideration of the lessor's submission. A lessor shall not offer or give, either; directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of a lease.

Lessor shall immediately report any attempt by a County office, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the termination of the Lease.



INITIAL.

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Estimate

21525 Strathern Street
Canoga Park, CA 91304

Date	Estimate #
9/5/2008	12846

14A(773)

Name / Address
Commonwealth Enterprises 600 S. Commonwealth Ave., Suite 1250 Los Angeles, CA 90005

P.O. No.	Terms	Rep	Project
	Net 10	DM	
Description	Qty	Rate	Total
Provide the following electrical power outlets for Los Angeles County Health Dept: 1. Install (1) L5-30 and (2) L6-20 receptacle, wiring, and circuit breaker as necessary in 2nd floor telephone room. 2. Install (2) L6-20 receptacle, conduit, wiring and circuit breaker as necessary in 6th floor telephone room. 3. Install (2) L5-20 receptacles, conduit, wiring and circuit breaker along with coring through wall in parking level A telephone room.	1	3,210.00	3,210.00
Please sign in space provided if work and terms are approved.		Total	\$3,210.00

Signature

Fax #	E-mail	Web Site
818-598-0100	dan@montgomeryelectrical.com	www.montgomeryelectrical.com